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SUBJECT: DEFENSE MINISTER JOINS RULING REPUBLICAN,
CONSOLIDATES POWER BASE

REF: YEREVAN 985

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SUMMARY

1. (SBU) As expected (reftel) the leadership of the governing Republican Party finally secured the long-awaited membership of Armenian Defense Minister Serzh Sargsian, electing him to the post of chairman of the party's governing council during its extraordinary congress July 22. The party also expanded the council by almost 75 percent, to include powerful politicians and businessmen, including quite a few with less-than-pristine backgrounds. End Summary.

DEFMIN JOINS GOVERNING REPUBLICAN PARTY

2. (SBU) The position of chairman of the governing council was created especially for Sargsian, who explained his decision to join the party as a formality following a long period of informal cooperation. (Note: Sargsian was elected to the National Assembly in 2003 on the Republican Party's ticket. End Note.) The number of members of the party's governing council was increased from 42 to 70 to include parliamentarians, government officials and wealthy businessmen, many of whom have notorious reputations.

3. (SBU) Commenting on the expansion of the board, Republican Party Chairman and Prime Minister Andranik Margaryan said the party has about 30,000 members and 61 headquarters around the country, and that it was logical to include new, influential members in the governing body. According to Margaryan, Republicans have already begun preparations for the 2007 elections. The board is confident that the arrival of new members will contribute to the party success. National Assembly Speaker Tigran Torosyan dismissed the rumor that he was against Sargsian's membership in the party, saying they have a good relationship. He also said that, along with positive results, the new developments would bring some challenges, but he did not go into details.

4. (SBU) In a press interview, Sargsian was quick to shrug off speculation that Prosperous Armenia will be the Republican Party's main rival in next year's parliamentary elections. He also cast doubt on speculations regarding Prosperous Armenia's ability to serve as a new power base for President Kocharian.

